

## Clustering restaurants helps them thrive

Finding consensus on a restaurant choice can be an unpleasant task, but properties with multiple restaurants are offering an end-run around the problem, at least temporarily. "If you have the right bundle of restaurants, people will see the property as a culinary destination," said Greg Lyon, principal and design director at Nadel Architects, Los Angeles. "They'll say, 'Let's just figure out what to eat when we get there, because there are plenty of options.'"

Grouping food tenants also happens to be convenient for landlords who need to drive traffic or fill vacancies, experts say. After all, the traditional department-store and big-box anchors are harder to attract in today's still-recovering economy. Meanwhile, restaurants are expanding at a faster pace than other tenant types

and generally like to be clustered around other eateries. "Food certainly is becoming a viable entertainment anchor," Lyon said. "It can increase return visitation not only on weekdays, but also on weekends and evenings. The key is to have enough of the right offerings."

The trend is transforming some regional malls into dining hot spots. Denver's Park Meadows has brought in chef Richard Sandoval's La Sandia, a Yard House and, now under construction, Seasons 52 Fresh Grill and Wine Bar, according to Kelly Greene, president of Denver-based retail brokerage Urban Legend. LYFE Kitchen (the letters in the name stand for Love Your Food Everyday), "where everything is under 600 calories," its slogan says, is set to open at Park Meadows in June. Interestingly, this healthy fast-food chain is the brainchild of two former McDonald's executives.

But ramped-up restaurant offerings can boost the appeal of other property types as well. The first floor of 9901 Washington Blvd., a mixed-use renovation under construction across from the Kirk Douglas Theatre and Sony Studios, in Los Angeles, is to be a cluster of six restaurants totaling some 11,500 square feet, says Lee J. Shapiro, executive vice president of Kennedy Wilson Brokerage Group, of Beverly Hills, Calif. The project, which includes 131 apartments, is slated to open in December. "Conservatively, we have had more than 25 written offers from restaurants," Shapiro said. The first two leases are by French bakery La Pain Quotidien, which often uses organic ingredients, and fast-casual chain Pizza Rev. The right mix of restaurants can appeal to apartment seekers, office workers

and theatergoers alike, Shapiro says. "We are trying to create this place where you can go two or three times a week, but to a different place each time," he said.

Eateries also anchor Terramar Retail Centers' The Headquarters, a \$40 million renovation and adaptive reuse of San Diego's 1930s-era police headquarters. This seaside project, which opened last fall, has a lineup heavy on foodie-friendly fare: Pizzeria Mozza comes from chefs Joe Bastianich, Mario Batali and Nancy Silverton; Mexican restaurant Puesto emphasizes exotic cocktails and fresh, organic ingredients; at Seasons 52, which bills itself as a healthy grill, no dish contains more than 475 calories.

At Jano Property Group's Grand Bazaar Shops, which opens this fall on the Las Vegas Strip, chef and restaurateur

Sam Marvin is launching five culinary concepts selling artisanal cupcakes, ice cream, macaroons, meals and spices.

Restaurant clusters do come with costs: They can require lots of parking, and perhaps such investments as water features, outdoor seating and better lighting. Still, they can make good sense for some projects, says broker Robert Haas, a founding partner of Cypress Retail Group, Westlake Village, Calif. "Developers or property owners are asking the question, 'What can I put in my project that is not going to be impacted by Internet shopping?'" said Haas. "When you think about how food draws crowds and creates an experience — family and friends coming together around the table — you can understand why developers want to bring this to their properties."

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LITTLE CLEO'S IS ONE OF TWO RESTAURANTS AT THE YARD, A CONVERTED MOTORCYCLE GARAGE IN PHOENIX.



TERRAMAR RETAIL CENTERS' THE HEADQUARTERS, A \$40 MILLION RENOVATION AND ADAPTIVE REUSE OF SAN DIEGO'S 1930S-ERA POLICE HEADQUARTERS